

Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY

September 23, 2002

CERTIFIED RETURN RECEIPT 7099 3400 0016 8894 6048

Ernie Ray Hale Sierra Stone, Incorporated 475 East Elm Oakley, Idaho 83346

Re: Surety Extension Request, Sierra Stone, Inc., Sierra Starlight Quarry, M/003/049, Box

Elder County, Utah

Dear Mr. Hale:

On September 3, 2002, we received your letter, via facsimile, requesting a 15 day extension to submit the initial \$12,000 transitional reclamation surety for your Sierra Starlight Quarry. The surety was to be posted to mitigate a Notice of Non-Compliance issued to you on July 3, 2002, for exceeding your approved small mine acreage and failing to post reclamation surety and seek Division approval before expanding to a large mine status.

Because of the unforeseen circumstances that have prevented you from meeting the initial deadline, the Division hereby grants your request to delay submitting the initial \$12,000 reclamation surety until September 27, 2002. We do not anticipate granting further time extensions for receipt of the initial submission, nor the subsequent \$5,000 payments which are due on December 1, 2002, March 1, 2003, June 1, 2003, and September 1, 2003, to bring the total required transitional surety to \$33,000.

Should you fail to resolve this issue in a timely manner, the Division will prepare a formal Notice of Agency Action. This enforcement action could require the operator to appear at an informal hearing before the Division Director, or a formal hearing before the Board of Oil, Gas and Mining. Following public notice and formal hearing, the Board may issue an abatement or compliance Order which may require: immediate suspension or termination of all mining operations until the large mine plan is approved; revocation of the existing permit and immediate reclamation of the site; and/or other lawful requirements as authorized under the Utah Mined



Page 2 M/003/049 September 23, 2002

Land Reclamation Act.

If you have any questions regarding the requirements of this letter, please contact me at (801) 538-5286, or Lynn Kunzler at 538-5310. Thank you for your immediate attention to this matter.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program